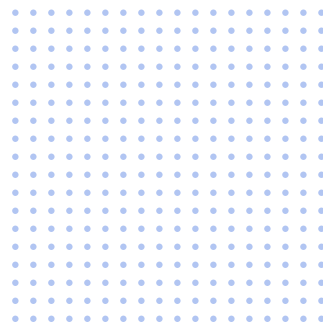




FOR CMA FINAL EXAM PREPARATION

CMA Final 2023 Question Paper · Paper 19 Indirect Tax Laws and Practice

EXAM	YEAR	TYPE
CMA Final	2023	Question Paper

SUBJECT	DATE
Paper 19 Indirect Tax Laws and Practice	December 2023

FINAL EXAMINATION

December 2023

P-19(ITLP)
Syllabus 2022**INDIRECT TAX LAWS AND PRACTICE**

Time Allowed: 3 Hours

Full Marks: 100

*The figures in the margin on the right side indicate full marks.**Wherever necessary, candidates may make appropriate assumption(s)
and state the same clearly in the respective answer.**All working notes must form part of the relevant answer.**Answer Question No.1 which is compulsory.***Section – A****Goods and Services Tax Act & Rules.****1. Choose the correct answer from the four alternatives given:** 15×2=30

- (i) QRP Company Ltd, was aggrieved by 3 different orders of Appellate authority on 25th April, 2023 and want to file 3 different appeals before Appellate Tribunal. The details of amount of tax involved are as follows:

Case No.	Amount of Tax (₹)
1	98,000
2	18,00,000
3	42,00,000

For this purpose, you are required to calculate the Total amount of fees for all the three applications, to be paid along with application under CGST Act, 2017.

- (A) ₹ 61,000
(B) ₹ 25,000
(C) ₹ 44,000
(D) ₹ 60,000
- (ii) In cases of change in rate of tax and amount is credited to the bank account after 4 working days from the date of change in rate of tax, the date of receipt of payment will be:
- (A) Date of bank entry
(B) Date of book entry
(C) Date of book entry or date of bank entry, whichever is earlier
(D) Date of book entry or date of bank entry, whichever is later

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(2)

(iii) In case of supply of goods for ₹ 9,00,000, following information is provided:

Advance of ₹ 5,00,000 received on 1st August

Invoice issued for ₹ 9,00,000 on 15th August

Goods removed on 25th August

Balance payment of ₹ 4,00,000 received on 26th August

You may assume that payment entered in the books and credited in the bank on the same day of receipt.

What is the Time of supply for the purpose of payment of tax, as per GST Law?

(A) 1st August for ₹ 5,00,000 and 15th August for ₹ 4,00,000

(B) 15th August for both ₹ 5,00,000 and ₹ 4,00,000

(C) 25th August for both ₹ 5,00,000 and ₹ 4,00,000

(D) 1st August for ₹ 5,00,000 and 26th August for ₹ 4,00,000

(iv) Transactions falling outside the ambit of supply are provided in:

(A) Schedule I

(B) Schedule II

(C) Schedule III

(D) None of the above

(v) Mr. Ram, a trader in Delhi has opted for composition scheme of taxation under GST.

Determine the rate of total GST payable by him under composition scheme:

(A) 0.5% CGST & 0.5% SGST

(B) 2.5% CGST & 2.5% UTGST

(C) 5% IGST

(D) 5% of UTGST

(vi) Maintenance & repair service provided within territorial waters to marine vessel owned by foreign company is

(A) not export of service even if payment is received in forex.

(B) not export of service if payment is received in Indian Rupees.

(C) export of service if payment is received in forex.

(D) export of service even if payment is received in Indian Rupees.

(3)

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- (vii) The time limit beyond which if goods are not returned, the capital goods sent for job work shall be treated as supply
- One year
 - Five years
 - Six months
 - Three years
- (viii) A registered supplier, who regularly files monthly GST return, has paid GST of ₹ 85,000 pertaining to the month of June 2022 on 10-08-2022. The total interest payable for delayed remittance of GST is
- ₹ 838 (R/off)
 - ₹ 419(R/off)
 - ₹ 559(R/off)
 - NIL
- (ix) A manufacturer who is a registered person under GST has purchased 11000 kgs of raw material during February, 2023, on which IGST of ₹ 1,10,000 has been paid. He has taken 100 kgs for personal use. 200 kgs were stolen from the factory. Only 80% of the raw materials were consumed during the month for production. The input tax credit available to him for February, 2023 is
- ₹ 1,09,000
 - ₹ 1,07,000
 - ₹ 1,08,000
 - ₹ 1,10,000
- (x) M/s Amar Megamart, a store located and registered under GST in Karnataka, has come out with big discount offers at the time of Diwali on various gift items. In order to attract more customers, it has decided to supply a gift pack containing 6 packets of Amarram's Namkeen (200 gram each) taxable @ 12%, 2 packet of Roasted Smoked Almonds (100 gram) taxable @ 18%, 1 packet of Cournville Chocolate (50 mg) taxable @ 28% and 1 bottle of Teal Fresh Juice (1 litre) taxable @ 18% in a single basket for a single price of ₹ 1,200. State the type of supply and the tax rate applicable on the same.
- Composite supply; tax rate of the principal item, i.e. Namkeen @18%
 - Composite supply; highest tax rate out of all items, i.e. 28% applicable to chocolates
 - Mixed supply; tax rate of principal item, i.e. Namkeen @18%
 - Mixed supply; highest tax rate out of all items, i.e. 28% applicable to chocolates

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(4)

- (xi) Under Customs Act, 1962 which of this is not mandatory documents required for export of goods from India
- Bill of Lading/Airway Bill/Lorry Receipt/Railway Receipt/Postal Receipt
 - Commercial Invoice cum Packing List
 - Shipping Bill/Bill of Export
 - Bill of entry
- (xii) In which of the following cases, can an importer claim abatement of duty under section 22 of the Customs Act, 1962?
- Goods pilfered during unloading
 - Goods damaged by accident (due to negligence of the importer) after unloading but before examination for assessment by customs authorities
 - Goods destroyed by accident while being removed from the warehouse after clearance for home consumption
 - Goods damaged by accident (not due to negligence of the importer) after unloading but before examination for assessment by customs authorities
- Choose the most appropriate option:
- Only (iv)
 - Only (iii)
 - Both (i) and (iii)
 - (i), (ii), (iii) and (iv)
- (xiii) Value of inputs covered by Advance authorization ₹27 lakh. Export must be of _____ minimum value addition.
- 10%
 - 15%
 - 20%
 - 50%
- (xiv) In the context of Indian Customs law, ICEGATE means
- Indian Customs Electronic Data Interchange Gateway
 - Indian Customs Electronic Gateway
 - Inter-Continental Electronic Gateway
 - Indian Constitutional Electronic Data Interchange Gateway
- (xv) Where a person of Indian origin stays abroad for 36 months and returns to India on 25.4.2023 for having residence in India, the GFA for used household articles (Baggage) is
- ₹ 1 lakh
 - ₹ 3 lakh
 - ₹ 5 lakh
 - Nil

(5)

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Syllabus 2022**Section B: Customs Act and Rules***(Answer any five questions out of seven questions given. Each question carries 14 Marks.)*

2. (a) What do you mean by composite supply and mixed supply? Briefly discuss the manner in which the tax liability on composite supplies and mixed supplies is determined. 7
- (b) With reference to GST law, discuss the contents of Form GSTR-3B. 7
3. (a) Mr. Basant a registered supplier of Chennai, received the following amounts in respect of the various activities undertaken by him during the month of May, 2023:

S. No.	Particulars	Amount (₹)
(i)	Actionable claim received from normal business debtors	9,20,000
(ii)	Commission received as a recovery agent from a non-banking finance-company (NBFC)	51,000
(iii)	He got permission from the municipal authorities to build 7 floors building in the Bengaluru but he agreed to build only 3 floors and received ₹ 22,00,000 as compensation from Ranjeet Constructions Ltd, a neighboring housing project which wants to protect its sunlight	22,00,000
(iv)	Amount received from GHK Ltd. for performance of classical dance in one program.	1,99,500
(v)	Amount charged for providing services by way of fumigation in a warehouse of agricultural produce.	1,20,000
(vi)	Consideration received for one month rent from a registered individual person for renting of residential dwelling for use as office.	18,000
(vii)	Amount charged for composite supply of goods and service by way of milling of wheat in to wheat flour, along with fortification to Karnataka Government for distribution of such wheat flour under Public Distribution System (PDS) in Karnataka. (The value of supply of goods in the above supply constitutes 48% of the value of composite supply)	7,00,000

Notes:-

- (i) All the amount stated above in both the tables are exclusive of GST, wherever applicable
- (ii) Aggregate turnover of Mr. Basant in previous year was ₹ 42,00,000

You. are required to Compute Gross Value of supplies, on which GST to be paid by Mr. Basant for the month of May, 2023. 7

Correct legal provision should form part of your answer.

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(6)

3. (b) KJP Ltd. gives you the following information for the month of April, 2023:

S. No.	Particulars	Amount (₹)	Amount (₹)
(i)	Total input tax credit on input goods and input services.		9,60,000
(ii)	This amount of ₹9,60,000 includes the following:		
	ITC attributable to goods exclusively used for non-business purposes	70,000	
	ITC attributable, to goods used for effecting exempt supplies	2,20,000	
	ITC in respect of inputs on which credit is not available under section 17(5) such as blocked credit	75,000	
	ITC attributable exclusively for effecting taxable supplies	4,25,000	
(iii)	Total turnover		75,00,000
(iv)	Total value of exempt supplies		18,50,000

Compute the quantum of common credit and the amount of ITC to be reversed as per rule 42 of CGST Rules, 2017. 7

4. (a) With reference to GST law, discuss in brief the Contents of Form GSTR-9C. 7

(b) With reference to CGST Act, 2017, Explain in brief the term “Related persons” and “Distinct persons”. 7

5. (a) In the following independent cases determine the place of supply along with reasons as per the provisions of GST law:

- (i) Mr. Manoj, who is registered under GST at Delhi, has availed land-line services from VGT Ltd. The telephone is installed in residential premises in Bengaluru.
- (ii) Mr. Mohit (registered person in Hyderabad) travels from Mumbai to Delhi by BCG Airlines. Mr Mohit has bought the tickets for the journey from BCG Airline’s office registered in Chennai.
- (iii) ABC Ltd. an event management company (New Delhi) is hired by Mr. Varan (unregistered person based in Bangaluru) to plan and organise his marriage in Jaipur.
- (iv) Miss Saroj, an unregistered person of Delhi sends a courier to her friend in Jalandhar which was delivered going through Haryana. 7

(7)

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- (b) Compute the GST liability of Mr. Ravi, an air travel agent, for the quarter ended December 31, 2022 using the following details:

	Particulars	Amount (₹)
(i)	Basic air fare collected for domestic booking of tickets	60,00,000
(ii)	Basic air fare collected for international booking of tickets	70,00,000
(iii)	Commission received from the airlines on the sale of domestic and international tickets	4,75,000
(iv)	Year ending bonus received from airlines	40,000

In the above case, would the GST liability of Mr. Ravi be reduced if he opts for the special provision for payment of GST as per Rule 32(3) of the CGST Rules, 2017? The applicable rate of GST 18%. 7

6. (a) With reference to New Foreign Trade Policy (FTP) - 2023 discuss briefly operating principles of "Remission of Duties and Taxes on Exported Products" (RoDTEP) scheme. 7

- (b) Under the new Foreign Trade Policy (FTP)-2023 state the categories of supplies considered as 'Deemed Export' in case of:

(i) Supply by manufacturer

(ii) Supply by main/sub-contractors(s) 7

7. (a) After visiting USA for a month, Mrs. and Mr. X (Indian residents aged 40 and 45 years respectively) brought to India a laptop computer valued at ₹ 80,000, used personal effects valued at ₹ 90,000 and as personal computer for ₹ 52,000. What is the customs duty payable? (Ignore Agriculture infrastructure and development cess.) 7

- (b) Nidhi Exporters imported some goods on 1st January, 2023. The goods were not meant for being used in an 100% EOU, STP unit, EHTP unit. The goods were cleared from the Mumbai port for warehousing on 8th January by presenting an 'into Bond' Bill of Entry. The assessable value of the goods was US \$ 10,000. On 8th January, the exchange rate was ₹ 66 per US \$ and the rate of basic customs duty was 15%. The order permitting the deposit of goods, in warehouse for 4 months was issued under section 60 of the Customs Act, 1962 on 15th January. The goods were thereafter deposited in a warehouse at Delhi and were cleared from Delhi warehouse on 31st May. The rate of Basic customs duty was 15% and exchange rate was ₹ 68.75 per 1 US \$ on 31st May. IGST @ 10% is applicable on said goods. Further, the rate of basic customs duty was 12% and exchange rate was ₹ 67 per 1 US \$ on 15th May. Ignore IGST and agriculture and infrastructure development cess.

You are required to compute: (a) total customs duty payable and (b) interest, if any, payable. 7

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(8)

8. (a) Following are the particulars, relating to one of the machines sold by M/s TDR Ltd. registered at Mumbai to M/s. FDT Ltd. of Rajasthan in the month of April 2023, at contract price of ₹ 6,00,000. (Exclusive of taxes and discount)

Further, following additional amounts have been charged from M/s FDT Ltd:

S. No.	Particulars	Amount (₹)
(i)	Outward freight Charges (Contract was to deliver machine at FDT Ltd's factory i.e. F.O.R. contract)	40,000
(ii)	CGST and SGST chargeable on the machine	72,000

Additional information:

(i)	M/s TDR Ltd. offers trade discount of ₹ 3 % on the price of ₹ 6,00,000 which was recorded in invoice.
(ii)	M/s TDR Ltd. normally gives an interest-free credit period of 20 days for payment, after that it charge interest @ 1.50 % P. M. or part thereof on contract price. M/s FDT Ltd. paid for the supply after 25 days but M/s TDR Ltd. waived the interest payable for delay
(iii)	M/s TDR Ltd. received ₹ 50,000 as subsidy, from one non-government organization (NGO) on sale of such machine., this Subsidy not linked to the price of machine and also not considered in contract price of ₹ 6,00,000.

Compute the Taxable Value of supply as per provision of GST laws considering that the price is the sole consideration for the supply and both parties are unrelated to each other

7

Note:- Correct legal provision should form part of your answer.

- (b) CDA Ltd., a unit in SEZ, received services from various service providers in relation to authorized operations in SEZ during the month May, 2023. The following details are furnished for the month May, 2023:

- Value of Taxable services used exclusively for authorized operations within SEZ : ₹ 8,00,000 (exemption from GST availed).
- Value of Taxable Services used by SEZ units and DTA units : ₹ 9,00,000. GST paid @ 18%.
- Value of Taxable Service used wholly for DTA units : ₹ 7,00,000. GST paid @ 18%.
- Export Turnover of SEZ Unit : ₹ 90,00,000
- Turnover of DTA Unit : ₹ 60,00,000

Compute the Input Tax Credit (ITC) and amount of refund if any.

7

Note: All input services used by SEZ for its authorized operations only.